



CONNECTING U.S. BUSINESSES TO THE NEW GLOBAL DIGITAL ECONOMY

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The world has changed considerably since I joined the Clinton Administration as a Deputy Assistant Secretary in 1993. The information technology revolution has transformed the world at a pace and in a way that only a few had the vision to contemplate a decade ago.

Seven years ago only 90,000 people were using the Internet. In the year 2000, however, more than 300 million people are now online. This 3,000% change has transformed the way we do business, the way we shop and the way we communicate.

The information technology revolution began in the United States, but it has affected the entire world; it has opened markets and expanded trade globally. It has produced a new digital economy in which countries in every region of the world have the opportunity to experience unprecedented growth.

Because of the information technology revolution, the challenges I faced when I took over the duties of the Under Secretary for International Trade six months ago are not the same as what the agency faced in 1993. Now, whether we are talking about market access or export promotion, the solution to every issue we confront must include technology:

Seven years ago the U.S. Department of Commerce International Trade Administration helped small companies export by using traditional tools, such as trade missions. Today, we are able to supplement face-to-face contact with websites and videoconferences.

Market access barriers now often involve plans by foreign governments to over-regulate the Internet or to set rules governing e-commerce in a way that stacks the deck against U.S. companies.

Emerging economies today are facing the same challenges the U.S. faced over the last decade. The choices they make now will have a long-term impact on whether these countries will share in the

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type of growth experienced by the U.S. and whether U.S. information technology companies will participate in their development.

I am here today to talk about the Department of Commerce's three-part program designed to ensure that U.S. companies are prepared to reap the benefits of this new global digital economy; a program designed to build digital bridges to individuals, to small businesses and to emerging economies.

E-EXPORTS PROGRAM

First, we begin at home. Our primary focus in the Clinton Administration is to ensure that a larger percentage of U.S. citizens are included in the information revolution. We have done this by wiring schools across the country and by providing Internet access to under-served communities.

We are also working to make government a model for connectivity. At the Department of Commerce, we totally revamped how we do things to use technology to connect U.S. businesses to the new digital economy. For example:

- We provide online tools and services designed to do everything from finding international partners to getting paid; and
- We developed a comprehensive domestic outreach program that includes roundtables with U.S. information technology companies, an e-exporting seminar series and a seminar series on doing business with China.

Second, we are creating partnerships with emerging economies to share U.S. technology and our experiences in the new economy. To this end, we have developed a number of bilateral programs that increase cooperation between the public and private sectors to narrow the digital divide, promote e-commerce use and increase trade through the use of technology. For example:

- Technical assistance programs to assist emerging economies with using information technology applications to solve major policy issues such as health care, disabled access, education, government procurement and the digital divide, and to improve the delivery of government services and fight corruption.

In Argentina, for example, U.S. companies showcased U.S. technology that would enable governments to connect hospitals around the country.

- Small Business Seminars with U.S. high-tech companies, providing training to emerging economies on using information technology and the Internet to take advantage of the benefits of the digital economy. Special emphasis is placed on the legal, financial, customs and logistical issues, and the various tools, techniques and strategies for using the Internet and e-commerce to participate in the digital economy.
- Strategic Partners Conference to help small businesses around the world explore business opportunities, including dotcoms, venture capitalists and software developers.

- Information Technology Management Planning Tool Seminar Missions to assist businesses, particularly small businesses, in evaluating their technology needs and implementing solutions (e.g., expanded information technology usage) using interactive diagnostic software.

Third, we foster the right policy environment by focusing on keeping both the Internet and foreign markets open to private sector driven global growth. This effort includes:

- E-Commerce Joint Statements promoting U.S. Government policy goals of private sector leadership, minimal regulation, and investment driven by competition and market forces.

- Formal Policy Dialogues with other governments, including the European Union, the Association for Southeast Asian Nations, the Free Trade Area of the Americas and the Asia-Pacific Economic Cooperation forum.

In Europe, for example, we have implemented an Early Warning System aimed at identifying and resolving e-commerce policy disputes without interrupting business transactions.

- Informal Policy Dialogues, including:

Recent bilateral conversations with Chile and Argentina.

A videoconference series, bringing together government policy and industry experts on telecom, infotech, and e-commerce issues; and Orientation visits in the U.S. that focus on policy and technology issues ranging from telecom deregulation to e-government to e-banking.

CONCLUSION

As the number of Internet users rises to one billion by the year 2005, we must continue to innovate and respond to the changes brought about by the information technology revolution. By working to build digital bridges to both individuals and companies, by creating partnerships with emerging economies to foster their growth, and by addressing policy issues that threaten to derail global economic expansion, we will continue to prosper in the new digital economy.

We need your help in all these endeavors and I look forward to using this opportunity to learn more about your activities, especially how we can work together. I also will be happy to answer any questions that you may have. Thank you.

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